



## Asset Summary Report

<b>San Augustine Development Center</b>			
<b>Project:</b>	<b>Center</b>	<b>Offering Number:</b>	debt_6831
<b>Loan Balance:</b>	\$1,003,079.35	<b>Rate Type (F/V):</b>	Fixed
<b>As of Date:</b>	10/31/12	<b>Current Interest Rate:</b>	5.75%
<b>Original Balance:</b>	\$1,164,500	<b>Monthly P&amp;I:</b>	\$6,795.71
<b>Note Date:</b>	12/04/02	<b>Interest Calc Method:</b>	NAV
<b>Maturity Date:</b>	01/01/33	<b>Remaining Term (mos):</b>	241
<b>Lien Position:</b>	First	<b>Paid Through Date:</b>	NAV
<b>Recourse:</b>	No	<b>Prepayment Type:</b>	Declining Balance
<b>Recourse To:</b>	None	<b>DSC:</b>	NAP
<b>Guaranty:</b>	None	<b>LTV:</b>	200.62%
<b>Executive Summary</b>			
This is a single non-performing note with a \$1.00MM principal balance, a 5.75% fixed interest rate, and a 01/01/33 maturity date. The relationship originated in 2002 to refinance an intermediate care facility in San Augustine, Texas. The note is secured by a first lien on the real estate. The borrower is AHS San Augustine Development Center, LLC.			
<b>Loan Description/History</b>			
The loan was originated in 2002 for the purpose of refinancing a 56-bed healthcare facility. The loan has a fixed interest rate of 5.75% and calls for monthly payments of \$7M. The loan was structured as fully amortizing over the loan term. The maturity date is 01/01/33. The loan is open to prepayment subject to a premium of 1%. The loan may be prepaid without penalty starting on 01/01/13 and thereafter.			
<b>Collateral Type:</b>	Intermediate Care Facility	<b>Number of Buildings:</b>	1
<b>Units:</b>	56	<b>Number of Stories:</b>	1
<b>Property Address:</b>	Highway 96 @FM 1277	<b>Land (Acres):</b>	5.68
<b>City:</b>	San Augustine	<b>Year Built/Renovated:</b>	1973
<b>State:</b>	Texas	<b>Occupancy:</b>	0%
<b>Zip Code:</b>	75972	<b>Number of Tenants:</b>	0
<b>Appraised Value:</b>	\$500,000	<b>Appraisal Date:</b>	11/8/2012
<b>Collateral Description</b>			
The collateral, San Augustine Development Center, is a 56-bed intermediate care facility for developmentally disabled patients in San Augustine, Texas. The facility is located on a 5.68 acre parcel of land and contains 26M net rentable square feet. The building was constructed in 1973 and was operated as the San Augustine Development Center from 2002 until its closure in September, 2011.			
<b>Location Description</b>			
The property is located along U.S. Highway 96 at the intersection of Texas State Route 1277 in San Augustine, Texas. Highway 96 is the primary north/south thoroughfare servicing San Augustine and spans the city's entirety. The subject is surrounded by sparse development, and is adjacent to the intersection with Route 21, an east/west thoroughfare that supports several commercial properties within one mile. Route 21 also provides high-speed access between San Augustine and Nacogdoches, as well as between the subject and San Augustine County Airport, which is 3.5 miles to the west. San Augustine has a population of 2M and a median household income of \$24M.			
<b>Leasing Comments</b>			
The property is currently vacant. The property was voluntarily closed in September, 2011 as part of the State of Texas's Home and Community Services Program. The program uses federal grants to offer individualized services and support to patients with intellectual disabilities so that they may live with their family, in their own home or in other community settings. To date, the borrower's parent company has voluntarily closed a total of seven facilities as part of the program.			
<b>Borrower Comments</b>			
The borrower is AHS San Augustine Development Center, LLC, a Texas limited liability company. AHS San Augustine owns the land, building and equipment in the facility and is a wholly owned subsidiary of American Habilitation Services, the parent company who performs the day to day operations of the business.			
Borrower's FY11 financial statement indicated \$53M in revenue and \$19M in expenses, resulting in a NOI of \$34M. Additional financial information has not been provided as the facility is no longer operating.			
<b>Underwriting</b>			
DSCR is not calculated as the property is vacant and is non-income producing.			

"Please note that while efforts have been made to provide adequate documentation on the Asset(s), HUD makes no representations or warranties with respect to the accuracy or completeness of any information presented, including but not limited to the information contained in this summary or available online, documents disclosed in the Review Files, and any other written or oral information conveyed, except as expressly set forth in the Asset Sale Agreement."



## Asset Summary Report



Northern Facade of Building



Porte cochere and entry to the building



Eastern Facade of Building



Western Facade of Building

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